



## COUNTRY PROFILE

DECEMBER 2005



### CROATIA SNAPSHOT

Independence: October 8, 1991

Capital: Zagreb

Population: 4.5 million

GNI per capita: \$4,540 (2002)

Size: 21,823 square miles, slightly smaller than West Virginia

Language: Croatian

President: Stipe Mesic

Prime Minister: Dr. Ivo Sanader

Ambassador to U.S.: Neven Jurica

### OVERVIEW

USAID has been operating in Croatia since 1992. During this time more than \$320 million in assistance has been delivered to Croatia. USAID/Croatia implements a comprehensive transition program that includes economic and fiscal reform, strengthening democratic institutions, and training activities. Croatia's successful transition is integral to achieving the U.S. core policy goal of stability in Southeast Europe and serves other important American interests such as fighting terrorism and trafficking in persons.

USAID/Croatia's current portfolio is approximately \$70 million. In FY 2005 Croatia's program budget was nearly \$22 million. USAID intends to complete its assistance program in Croatia in 2008.

### PROGRAMS

**SMALL & MEDIUM ENTERPRISES (ESP)** project assists enterprises individually, in supply chains and in established clusters to increase their revenues, exports, and investment levels. By assisting 4,000 enterprises, USAID will help create 20,000 new jobs. One third of these new jobs will be in rural or disadvantaged areas.

**RAISING INCOMES IN ECONOMICALLY DISTRESSED AREAS (RIEDA)** program provides technical assistance to increase sustainable agriculture employment and incomes in disadvantaged areas. The program works directly with farmers or farm associations to improve operations, product quality, processing capacity that create valuable new jobs.

**AGRICULTURE COMPETITIVENESS ENHANCEMENT (ACE)** project assists Croatia to raise the competitiveness of its agricultural sector by introducing new technologies and strengthening marketing linkages among agricultural producers, processors and wholesalers. This is reflected by rising levels of domestically produced agriculture products.

**PRIVATIZATION PROGRAM** assists the Croatian Privatization Fund to implement the Government's privatization program to divest state ownership in companies and assets in a transparent and competitive manner.

**FINANCIAL SECTOR SUPERVISION** project assists the Croatian National Bank in its efforts to maintain macroeconomic stability through technical assistance and training in the areas of bank supervision, monetary operations, internal audit, payment systems and research. By improving the legal and regulatory environment for financial institutions, this program also increases the safety and soundness of the financial system.

## COUNTRY PROFILE CONTINUED



*Mr. Ed Dickens, USAID Team Leader for Croatia, Bosnia & Herzegovina and Serbia and Montenegro and Mayor of Slatina, Ms. Ksenija Plantak dedicate a sign celebrating the Slatina - U.S. partnership in September, 2005.*

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see [www.usembassy.hr/usaaid](http://www.usembassy.hr/usaaid)

**ENERGY SECTOR RESTRUCTURING** USAID assisted with the establishment of a regulatory body that can develop a competitive power market in Croatia. The program also assists the national power utility (HEP) to prepare for Croatia's entry into the regional power market and to restructure and unbundled its core activities. This supports the Government of Croatia's goal of assuming a leadership role in the creation of a competitive and regionally linked power market.

**ASSISTANCE TO CROATIA'S NGOS (CRONGO)** increases civil society's ability to advocate for and contribute to Croatia's democratic, economic and community development. The program supports NGOs' efforts to solve local and national problems. Through a variety of small projects it also works to increase the financial and organizational sustainability of the NGO sector, and improve the enabling environment for NGOs.

**LOCAL GOVERNMENT REFORM PROJECT (LGRP)** addresses the needs of cities, towns and municipalities as they assume greater responsibilities in management of their budgets, culture, health and education. The program provides local governments with modern financial and public administration skills. It also introduces public management models that enable local officials to address the increased demands of decentralization and helps them provide more transparent, responsive and accountable services.

**PREVENTION OF TRAFFICKING IN PERSONS** program raises the awareness and educates the public, media, law enforcement officials and policy makers about the problems related to trafficking in persons. It also maximizes effective collaboration between local non-governmental organizations (NGOs) and the Croatian Government.

**PARTICIPANT TRAINING** program helps build new skills and offers Croatians exposure to different ways the U.S. and other countries address development challenges. Participants come from diverse areas of expertise: government officials, parliamentarians, judges, state attorneys, mayors, NGO representatives, media, local government officials, bankers, business managers, tourism representatives, leaders and trade unionists.

**LEGACY PROGRAM**, launched in 2005, provides additional technical assistance to seven Croatian organizations to strengthen their organizational management and sustainability. These organizations offer the possibility for furthering democratic and economic reforms in a post U.S. assistance Croatia.